ANNUAL REVIEW 2012

PATIENTS FIRST

SANOFI

PROFILE

SANOFI, A GLOBAL INTEGRATED HEALTHCARE LEADER, FOCUSED ON PATIENTS' NEEDS

SANOFI'S **STRATEGY**

- **Grow** a global healthcare leader with synergistic platforms
- **Bring** innovative products to market
- **Seize** value-enhancing growth opportunities
- **Adapt** our structure to future challenges and opportunities

7 GROWTH PLATFORMS

Emerging Markets (1), Diabetes, Vaccines, Consumer Healthcare, Animal Health, New Genzyme (1), Other Innovative Products (1).

A DIVERSIFIED OFFER OF MEDICINES AND INNOVATIVE THERAPEUTIC SOLUTIONS

A WORLD LEADER IN HUMAN VACCINES

A WORLD LEADER IN ANIMAL HEALTH

€34.9 BN IN SALES(2)

MORE THAN 110,000 EMPLOYEES(2)

PRESENT IN 100 COUNTRIES

CONTENTS

(1) See definitions, page 57.
(2) As of December 31, 2012.

VISION

SANOFI: FOCUSED ON PATIENTS' NEEDS

Many events in Sanofi's long history have marked the evolution of pharmacy and science. Today, Sanofi is a global integrated healthcare company. We find and offer therapeutic solutions. In particular, with our partners, we endeavor not only to grasp the complexity of disease, but also to listen to patients, understand their needs and support them in a broad sense everyday. Indeed, we have placed patients at the very heart of our approach.

INVOLVING PATIENTS

Putting patients at the very heart of our strategy means that innovation is meant for them and that it can be created with their involvement. In turn, this allows us to better support them. Day after day, we talk with patients and we find new ways together of helping them to recover, to better cope with treatment and to improve their quality of life.

"OUR PRESENCE IN EMERGING MARKETS HAS BEEN REINFORCED."

SERGE WEINBERG
CHAIRMAN OF THE BOARD
OF DIRECTORS

SUCCESSFUL STRATEGIC CHOICES

When it announced its new diversification strategy in 2008, Sanofi committed itself to the pursuit of sustainable growth centered on patient health. This strategy had several ends: to secure our development in the Group's historic activities (Pharmaceuticals, Vaccines, Animal Health) where innovation remains a key objective; to seize opportunities to develop the Group's activities in the area of biotechnologies, in Consumer Healthcare and in generics; and to promote all of these activities both in mature and emerging markets.

The performance achieved in 2012 demonstrated the pertinence of this choice: the Group largely compensated for the loss of exclusivity for Plavix® and Avapro® in the United States, which had a significant impact on Group results, thanks to a number of initiatives taken over the last 3 years which limited the reduction in business earnings per share to 12.8%. The seven growth platforms, which are less exposed to patent expiries, represented 67.4% of our sales for the year. Among these platforms, thanks to the successful integration of Genzyme, we have built up a leading position in rare diseases combined with a promising portfolio in the treatment of multiple sclerosis. In addition, our presence in Emerging Markets has been reinforced.

In the area of Research & Development, where much remains to be done, the approvals of Zaltrap®, Aubagio® as well as the registration of Lyxumia® bear witness to the advances in our product development capacity.

This progress has sustained investor confidence in our strategy while we implement it. The rise in stock price over 2012 demonstrates a change in the perception of the Group and its growth prospects. These prospects have led your Board to propose an increase in the dividend relating to 2012 results to €2.77 per share.

Beginning in mid-2013 once the impact of the 2012 losses of exclusivity are behind us, Sanofi should again find itself on the path of sustainable growth driven by new innovation and by the continued development of our different activities. We owe this much to patients across the world, who are depending on new therapeutic innovations. We also owe this to our employees, whose commitment allows the Group to rise to its challenges each day. We also owe it to our shareholders, who have supported and accompanied the ambitious strategic choices taken by the Board of Directors and made a reality by the Executive Committee under the leadership of Christopher A. Viehbacher.

"ASSURE DURABLE GROWTH SO THAT WE CAN INNOVATE AND RESPOND TO PATIENTS' NEEDS."

QUESTIONS FOR…
CHRISTOPHER A. VIEHBACHER
CHIEF EXECUTIVE OFFICER

HOW DID THE SANOFI GROUP PERFORM IN 2012?

CHRISTOPHER A. VIEHBACHER: The year 2012 was a turning point in our history. We lost exclusivity for Avapro® in March and for Plavix® in May in the United States. The collective impact for these patent expirations on net income was €1.3 billion. But that's just one aspect of Sanofi's story for 2012; indeed the year was also remarkable for the emergence of a new and stronger company. Of particular interest was the evolution of our growth platforms (Emerging Markets, Diabetes, Vaccines, Consumer Healthcare, Animal Health, "New Genzyme" and Innovative Products). They provided sales of €23.5 billion (+10%) and represent, in 2012, 67.4% of our turnover, compared to 42.7% in 2008. **In 2012, sales have progressed in Emerging Markets (+8.3%), Diabetes (+16.7%), Vaccines (+5.7%), Consumer Healthcare (+9.9%) and Animal Health (+3.1%).** We also made considerable progress in new medicines, with nine important market authorizations and the submission of six new dossiers to regulatory authorities in Europe, the United States and Japan.

Our situation at end 2012 was radically different. **Between 2008 and 2012, sales climbed from €27.6 billion to €34.9 billion,** despite €5 billion in losses due to the expiration of several of our patents.

Our stock price increased by 26% in 2012, which illustrates the growing confidence of our investors. I think that we are in a very good position today and we should start growing again in the second quarter of 2013.

26%
INCREASE
IN SANOFI'S STOCK PRICE IN 2012.

GENZYME JOINED SANOFI TWO YEARS AGO. HOW DID THE INTEGRATION GO?

C. V.: Finalizing the integrations of Genzyme and Merial was an important accomplishment in 2012. We succeeded in preserving the qualities of each company while also creating synergies. Genzyme provided solid results in 2012, and now that the supply disruptions affecting drugs for rare diseases have been resolved, **the "New Genzyme" is on a double-digit growth trajectory for the years to come.** The New Genzyme was also an opportunity to create a new multiple sclerosis franchise. Its first drug, the oral compound Aubagio®, went to market in 2012 in the United States with promising results.

We also submitted applications in 2012 to the Food and Drug Administration (FDA) and the European Medicines Agency (EMA) for Lemtrada™ in multiple sclerosis, and are preparing its launch for 2013.

Thus, with these new and important therapeutic options, we are creating a new era for multiple sclerosis patients.

Finally, we also decided to integrate Genzyme's Biosurgery, Nephrology and Oncology businesses. This will allow us to optimize Group resources and pilot the performance of these businesses.

WHAT ARE THE PRINCIPAL OBJECTIVES OF THE REORGANIZATION EFFORTS CURRENTLY UNDERWAY FOR R&D?

C. V.: R&D and the search for solutions adapted to patients' needs is our vocation. To achieve this, we focused on creating a truly innovative, efficient and productive organization for R&D. We aligned our portfolio with our strategy, which is now equally structured for diabetes, vaccines and autoimmune diseases. **We have deepened and strengthened our partnerships with leading academic institutions and biotech businesses, and implemented regional R&D hubs in cutting-edge ecosystems** in Boston (U.S.), France, Germany and Asia. We have also strengthened leadership for R&D by bringing on board internationally renowned researchers.

These actions are beginning to pay off. **We are anticipating 18 launches between 2012 and 2015** and we have deeply transformed our portfolio. In the past, 83% of our portfolio was composed of chemistry-based molecules; today, 48% of our products are biologics, these latter being the future of medicine. With new therapeutic options, we can truly make a difference in the lives of patients. Among the nine treatments approved over the last twelve months, two, Zaltrap® a second-line treatment of metastatic colorectal cancer, and Lyxumia®, a GLP-1 receptor agonist approved in the European Union for treating diabetes, are innovative solutions for patients. Kynamro™ was also approved in the United States for the treatment of homozygous familial hypercholesterolemia. As I mentioned earlier, **the American FDA approved a new oral treatment for multiple sclerosis, Aubagio®, which will make the disease more supportable for patients.** We have confidence in the success of this medication.

Finally, we launched very promising drug development programs in 2012. One of these, our program on PCSK9 (alirocumab), will evaluate lowering cholesterol levels particularly in patients who are non-responders to conventional statin treatments. We have also developed a new insulin glargine formulation for the treatment of diabetes and are currently working on eliglustat for the treatment of Gaucher's disease. Our dengue vaccine obtained good results during the year and the construction of its dedicated production center in Neuville-sur-Saône, France, is going well.

"OUR GROWTH PLATFORMS SHOULD ACCOUNT FOR 80% OF OUR SALES IN 2015."

TODAY, EMERGING MARKETS ARE THE LARGEST GEOGRAPHICAL ZONES IN TERMS OF SALES. WHAT ARE THE MAIN SUCCESS FACTORS IN THESE MARKETS?

C. V.: I believe that Emerging Markets are the biggest opportunity for

> "R&D AND THE SEARCH FOR SOLUTIONS ADAPTED TO PATIENTS' NEEDS IS OUR VOCATION."

the pharmaceutical industry, and I'm also happy to announce that we maintained our leadership in these markets in 2012. In China and India, 400 million people are expected to join the middle-class before 2020, and all of them will be looking for better healthcare for their families. Our current medicines and those under development respond to the healthcare needs of a growing and ageing population.
We experienced double-digit growth in Latin America, Asia, Africa, and the Middle East. **Today, Emerging Markets account for 31.9% of our sales. Our success is due to our historical presence in these markets, their growth and our ability to propose a range of products adapted to the needs of the people who live there.**
It goes without saying that the best way to treat a disease is to not let it happen in the first place; our vaccines portfolio, providing prevention for 20 diseases, will continue to serve families at the four corners of the earth. The prevalence of diabetes continues to increase throughout the world. Our determination to propose a complete range of products to treat and help patients will allow us to continue providing innovative solutions for this disease. **We are currently No. 3 worldwide in Consumer Healthcare and we remain focused on developing our portfolio to propose solutions adapted to each market.**
Animal Health also has great growth potential, be it for pets or production animals. As the middle-class continues to grow, so will the number of animals kept as pets. Also, there will surely be an increased consumption of quality protein food (meat, fish, eggs). Together, these aspects will translate into growth for Merial's Vaccines and Veterinary specialties.

We continue to search for growth opportunities via acquisitions. For example, in 2012 we entered into agreements in countries as diverse as Nigeria, Colombia, India and Vietnam.

WHAT LEVEL OF GROWTH ARE YOU EXPECTING FOR 2013?

C. V.: We have been anticipating the patent cliff since 2008. The effects of the patent expirations for Plavix® and Avapro® in the United States will continue to be felt through the first half of 2013, with sales losses of approximately €800 million. The year 2013 should be double-faceted. Initially, the first two quarters will suffer in comparison to last year, before the expirations of the Plavix® and Avapro® patents. However, the last two quarters should see the return of growth. **Our growth platforms should continue resolutely on their trajectories, ultimately accounting for 80% of our sales in 2015.** We are also planning to invest in our Phase III and IV R&D portfolio, launch new products and reduce our costs. Taken together, these elements should lead to business earnings per share that will be stable or down by 5% at constant exchange rates compared to 2012, excluding unexpected unfavorable events.

Sanofi is at the dawn of a new era, an era of growth. I have confidence in our future and I think that our perspectives are among the best in the sector.

GOVERNANCE

EXECUTIVE COMMITTEE

Karen Linehan
Senior Vice President,
Legal Affairs and
General Counsel

Philippe Luscan
Senior Vice President,
Industrial Affairs

Roberto Pucci
Senior Vice President,
Human Resources

Olivier Charmeil
Senior Vice President,
Vaccines

David-Alexandre Gros
Chief Strategy Officer

Jérôme Contamine
Executive Vice President,
Chief Financial Officer

Hanspeter Spek
President,
Global Operations

Elias Zerhouni
President, Global
Research & Development

Christopher A. Viehbacher
Chief Executive Officer

GOVERNANCE

MEMBERS OF THE BOARD **OF DIRECTORS**

The Company's corporate governance agenda is founded on the Afep-Medef code, available on the Medef (www.medef.fr) and Sanofi (www.sanofi.com) websites.
Sanofi is administered by a Board of Directors currently comprising fifteen members, nine of whom are considered independent.
Each year, the Board of Directors conducts a review to ensure that there is an appropriate balance in its composition and the composition of its Committees. In particular, the Board seeks to ensure a balanced representation of men and women with diverse backgrounds and countries of origin, to reflect the diversified and global nature of the Group's business.
Subject to the authority expressly reserved by law to the shareholders' meetings and within the scope of the corporate purpose, the Board of Directors deals with and decides upon all issues relating to the proper management of the Company and other matters concerning the Board. It determines the general direction of the Company's activities and ensures that they are implemented.
Recently, at the General Meeting of May 3, 2013, the Board of Directors proposed the appointment of a new independent director: Fabienne Lecorvaisier.

As of May 4, 2012, the Board of Directors is composed of the 15 following members:

Serge Weinberg, Chairman of the Board of Directors

Christopher A. Viehbacher, Chief Executive Officer

Laurent Attal

Uwe Bicker*

Robert Castaigne*

Thierry Desmarest

Lord Douro*

Jean-René Fourtou*

Claudie Haigneré*

Igor Landau

Suet-Fern Lee*

Christian Mulliez

Carole Piwnica*

Klaus Pohle*

Gérard Van Kemmel*

*Independent director.

To learn more:
Form 20-F
www.sanofi.com

SANOFI, AN OPEN COMPANY

At Sanofi, we are convinced that exchanging and sharing are the building blocks of progress and innovation. This is why we are creating new relations with our stakeholders, not only to prevent disease but also to hear what the patients themselves have to say. We need to understand their needs, accompany them in their disease and offer them relief. Opening ourselves to the healthcare ecosystem enables us to put patients' and healthcare needs at the heart of our thought process. Thanks to these strategic choices, implemented within our growth platforms, we are looking to the future with confidence.

PATIENTS, A SOURCE OF INNOVATION

We have opened our R&D activities to the world outside, focused our efforts on translational medicine to bring together the patient, the researcher and the physician, and we have integrated new technologies. We propose solutions adapted to the needs of patients in everything we do.

TERESA,
UNITED STATES,
multiple sclerosis patient

EMERGING MARKETS [1]

RESPONDING TO THE HEALTHCARE NEEDS OF NEW ECONOMIES

With its balanced and historical presence, Sanofi has maintained its place as the leading healthcare company[2] in Emerging Markets and continues to strengthen its positions and its targeted portfolio of medicines.

With their strong gross domestic product (GDP) growth, "emerging" markets are witnessing the development of a true middle-class with purchasing capacities and habits approaching those of mature countries. However, these markets are also notable for historically low healthcare spending. This is changing though, as emerging countries seek to construct healthcare systems and networks with the goal of making quality care and treatment available to as many of their citizens as possible.

A broad geographical presence

Sanofi's historical presence in these countries is both long and broad. The Group's presence in India dates back to 1951, and it was also the first pharmaceutical company to establish a presence in China. Today, the company is present not only in Brazil, Russia, India and China (BRIC: 35% of sales in Emerging Markets) but also in close to 100 other emerging countries. The key to our longevity is an approach that respects the specificities of each market and region and relies on local management teams and local resources for aspects such as production or R&D.

This local approach gives the Group a major competitive advantage today.
By bringing production as close to these markets as possible, we can propose regional pricing policies adapted to level of the resources of local consumers and the funding capabilities of local healthcare systems.

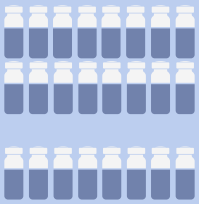
TOMORROW'S GROWTH DRIVERS

Beyond the BRIC countries (Brazil, Russia, India and China), the Group is preparing the future by expanding its presence into countries that will propel tomorrow's growth. For example, on the African continent, Sanofi is developing its presence in Nigeria, a country with a population of 140 million inhabitants: the GDP of Nigeria alone represents 68%[3] of that of western Africa in its entirety. In southeastern Asia, the Group is anticipating in particular the development of the Indonesian and Vietnamese markets, currently the strongest growing markets within Asean zone (the Association of Southeast Asian Nations), after China.

(1) See definitions, page 57.
(2) IMS Health (IMS Midas 2012).
(3) Foreign Economics Services Department of the French Ministry for the Economy and Finance.

DUANGMONGKOL,
THAILAND

1 IN 5 CASES
OF DIABETES
ARE NOT DIAGNOSED
IN SOUTHEASTERN ASIA.
Source http://www.idf.org/diabetesatlas



x1.75
MEDICATION SPENDING
SHOULD DOUBLE
BETWEEN 2010 AND 2015
IN EMERGING MARKETS.
Source IMS Market Prognosis.

For all the inhabitants of emerging countries,
Sanofi is investing to ensure their access to effective and well-adapted healthcare.

A CLOSER LOOK
WORKING UPSTREAM WITH PUBLIC AUTHORITIES

With its position as a world leader and its large portfolio of medicines and range of activities, covering prescription drugs, vaccines, consumer healthcare and animal health, Sanofi is a privileged partner for public authorities. In China for example, where 92 million people have diabetes*, the Group is working in close collaboration with the government and the scientific community to implement healthcare education and training projects.

Building upon its 40-year presence in Africa, the Group has created partnerships with the governments of several countries and launched initiatives, for example, in 2012, "Pediatrics in Africa," in collaboration with health professionals and authorities.

To learn more:
www.sanofi-paediatrics.com

€11.1 BN
GROUP SALES
IN EMERGING MARKETS
IN 2012

A growing contribution

Thanks to their economic growth, emerging markets are now increasingly contributing to the performance of the Group: in 2012 they grew ahead of other markets, accounting for 31.9% of Group sales (compared to 31.1% for the United States and 23.9% for western Europe), a collective progression of 8.3%. In particular, Latin America, Asia and the Middle East all returned double-digit performance. Sales in the BRIC countries (Brazil, Russia, India and China) increased by 12% to attain €3,896 million in sales. These four countries remain key contributors, representing 35% of global sales in emerging markets. This increase was strongest in China (+15%) and Russia (+13.6%). Finally, for the first time, sales in both Africa and the Middle East passed independently the billion euro threshold.

Targeted acquisitions

The growth potential of Merial and Genzyme in emerging markets was an important element of their integration within Sanofi (respectively in 2009 and 2011).
In 2012, Merial announced the acquisition of the animal health division of the Indian company Dosch Pharmaceuticals Pvt Ltd. The agreement is awaiting regulatory approval and should be finalized in the first half of 2013.

*www.idf.org

China provided one of the strongest increases in sales (+15%) for Sanofi in Emerging Markets.

The Group also strengthened its presence in Latin America with the purchase of Genfar, an acquisition that will allow the Group to further broaden its portfolio of affordable medicines for Latin American markets.

Local manufacturing, Sanofi's success in emerging markets

Sanofi's success in emerging countries is largely attributable to its local industrial presence. The Group, with its 40 manufacturing sites and understanding of the regions' strong potential, has become the industry's largest manufacturer in emerging markets. This unique position gives Sanofi a large competitive advantage in terms of costs, and enables a pricing policy in coherence with local markets. Beyond pricing, this local industrial approach offers many other benefits: improved understanding of these markets, proximity with its clients, reactivity for tender calls, ability to adapt proposals to regional particularities and compliance of local regulations.

DIABETES

SIMPLIFYING THE LIFE OF DIABETES PATIENTS VIA AN INTEGRATED AND PERSONALIZED APPROACH TO CARE

To respond to the diabetes epidemic affecting people in Emerging Markets and developed countries, Sanofi is deploying an integrated strategy founded on innovation and listening to diabetes patients.

Worldwide, approximately 366 million people[1] currently have diabetes and the disease may affect one person in ten before 2030. Two-thirds of new diabetes cases will occur in emerging markets. Nourished by changes in lifestyle and consumption habits, the epidemic has reached all continents and knows neither cultural nor geographic borders nor differences in genetics.

Multiple challenges

With its long history as a provider of solutions in diabetes, Sanofi is acting on several fronts. The Group has developed a portfolio of multiple products and positioned itself as a partner for local health authorities and associations working to improve the diagnosis of diabetes, increase patient knowledge and train healthcare professionals. Sanofi also focuses on innovation because diabetes is a complex, progressive disease associated with numerous comorbidities such as obesity and cardiovascular disease. R&D efforts must also target the prevention of these complications.

Partnerships to advance research

To continue advancing in diabetes research care, Sanofi develops partnerships with the world's leading research institutes. Following upon a partnership with the Charité University Hospital in Berlin in 2010, Sanofi signed a collaboration agreement in 2012 with the Joslin Diabetes Center in Boston (US).

HELPING PATIENTS REACH THEIR THERAPEUTIC OBJECTIVES

In 2013, Lyxumia®[2], a once-a-day prandial GLP-1 receptor agonist for injection, was approved by the European Medicines Agency. Its launch will advance the management of type 2 diabetes, which represents 90% of diabetes cases. Providing a pronounced effect on postprandial glycemia, Lyxumia® brings a new solution to patients taking basal insulin who control well their fasting glycemia but do not reach their HbA1c goals because their postprandial glycemia remains too high.

(1) www.idf.org
(2) See definitions, page 57.

Any information provided on cited products is in no way intended to encourage their use.

WORLDWIDE,
50%
OF PEOPLE WITH DIABETES ARE NOT DIAGNOSED
Source IDF 5th Edition 2011.

DIABETES
1st
CAUSE OF BLINDNESS IN THE WORLD
Source WHO.

Approximately 366 million(1) people in the world have diabetes and their disease needs a comprehensive approach to manage it. That is why Sanofi is strengthening its offer of therapeutic solutions to take into account the whole life of people with diabetes.

A CLOSER LOOK
PROVIDING ACCESS FOR ALL TO ADVANCED DEVICES

Diabetes is a major health problem in India. Approximately 63 million(1) Indians had diabetes in 2010 and the number will climb to 80 million in 2025. Also, a large number of people with diabetes are undiagnosed, and in many patients who are diagnosed the disease is uncontrolled due to a lack of therapeutic compliance. Under the direction of Sanofi Industrial Development, the AllStar™ insulin pen was developed to offer better glycemic control to people in India.

The Indian affiliate of the Group, Sanofi India Ltd, launched the innovative device on the Indian market in October 2012. Since the AllStar™ pens are manufactured locally, they can be sold at affordable prices. Sanofi will pursue the pen's avaibility course in 2013 in other emerging markets.

80
MILLION INDIANS WITH DIABETES IN 2025
(WHO estimation)

To learn more:
www.sanofi.com

In 2012, to better understand how children, teenagers and young adults live with type 1 diabetes, Sanofi joined with T1D Exchange, an American not-for-profit organization active in research of new approaches to manage the disease, to launch "TEENs", a worldwide study (in 20 countries) involving 7,000 young patients with type 1 diabetes.

Accompanying diabetes patients daily

Diabetes is a chronic disease and thus Sanofi allows itself no rest in the development of its offer. We now propose medical devices and associated services so that patients may have access to innovative treatments and management tools that ease their lives. Our innovative blood sugar meters, BGStar® and iBGStar®, were designed to adapt well to the lifestyle of today's patients. In India, the large "SAATH-7" program has provided 6 to 12 months of personalized counseling to more than 90,000 volunteers taking Lantus®. The program, underway since 2009, is managed in partnership with the treating physicians via a network of more than 60 counselor-educators based in 29 of the countries large cities.

Convincing results

With sales growth of +16.7%, Diabetes was one of the two best-performing platforms for the Group in 2012. Sales for Apidra®, a fast-acting human insulin analog, jumped +16.8%. Lantus®, a long-acting human insulin analog, confirmed its leadership among branded insulins, with sales growth of 22% in the United States and 22% in Japan, not to mention the very strong growth of +25.4% in emerging countries. The position of our insulins was strengthened by the results of the ORIGIN study, published in July 2012,

Any information provided on cited products is in no way intended to encourage their use.

63 million[1] Indians had diabetes in 2010.

which demonstrated that early treatment with insulin glargine did not have a statistically significant, negative or positive cardiovascular impact compared to standard care over the duration of the study. It also showed that insulin glargine slows progression from prediabetes to type 2 diabetes and does not increase cancer risks.

Improving diabetes treatment in China

In May 2012, Sanofi strengthened production capacities at its plant in Beijing, China, with the inauguration of a dedicated assembly and packaging line to produce the Lantus® SoloSTAR® Insulin pen. The Group is planning to follow this with the deployment of a high-tech line for the production of sterile insulin cartridges. Providing an annual production capacity of 48 million units, these production systems will cover the needs of patients and improve the treatment of diabetes in China, where, with an estimated 92 million cases[2], the disease is particularly prevalent.

(1) www.idf.org
(2) NESU, 2010, 362-1090-1101.

VACCINES

CREATING VACCINES TO PROTECT LIFE

Sanofi Pasteur develops innovative vaccines to prevent the appearance and propagation of avoidable diseases which are often fatal or debilitating, thus playing an active role in the prevention of epidemics.

Vaccination is a major element of public-health policies in all of the world's countries. In developing countries, the main goal is usually to prevent epidemics, whereas in mature countries it is more about maintaining a high level of protection for all. Vaccines are not just for children; adults too benefit from vaccination. For example, influenza vaccination in adults staves off a week of fever, headaches and muscle pain in individuals, stops the disease from affecting families and local economies, and prevents the propagation of the virus in the general population, thus creating a "cocoon" around its most fragile members, the elderly and infants.

A recognized world leader

With its wide range of products, ability to innovate and industrial expertise, Sanofi Pasteur is today a world leader in vaccines. This position makes the company a recognized partner not only for governments and national health authorities but also for the World Health Organization (WHO) and the major international funds involved in vaccination campaigns in developing countries. The company increased 5.7% in 2012, thanks in particular to strong performance in vaccines for influenza (Vaxigrip®), meningitis (Menactra®) and poliomyelitis (Imovax® Polio, notably in Japan).

A MAJOR ADVANCE AGAINST POLIO IN JAPAN

Japan has been routinely vaccinating against polio since 1960 with an oral, live attenuated vaccine. However, in 2012, the country decided to authorize Sanofi Pasteur's inactivated polio vaccine, Imovax® Polio. Japan's authorization of this vaccine will greatly advance its use for the prevention of polio. A growing number of polio-free countries are currently integrating inactivated polio vaccine in their national immunization programs.

Any information provided on cited products is in no way intended to encourage their use.

MORE THAN
3 MILLION
LIVES SAVED EACH YEAR
THROUGH IMMUNIZATION
Source WHO.

20 OF THE 26
VACCINE-PREVENTABLE
DISEASES ARE COVERED
BY THE SANOFI PASTEUR RANGE
OF PRODUCTS

Vaccines protect life.

To avoid the health, social and economic consequences of vaccine-preventable diseases, Sanofi contributes to the prevention of epidemics and maintains a high level of protection thanks to its innovative vaccines.

APPROXIMATELY
220
MILLION PEOPLE
INFECTED BY DENGUE
EACH YEAR
Source WHO.

A CLOSER LOOK
MAPPING FOR PREVENTION

Currently there are close to 3 billion people living in dengue-endemic regions. Although tropical and subtropical in nature, the virus has been detected in Europe, South America and the United States. In 2012, Sanofi Pasteur joined with the CNES, France's national space technologies center, for a pilot project focused on mapping zones threatened by dengue. The project's goal is to improve epidemic prediction and thus allow for better preparation. Developed jointly by the CNES and its various partners, the concept of "tele-epidemiology" employs new satellite imaging technologies to develop previsional maps for environmental risks that favor the emergence of certain pathogenic agents. The innovative nature of the project is all the stronger in that it calls upon many scientific disciplines, such as epidemiology, entomology, remote sensing technologies and statistics applied to tele-epidemiology and meteorology.

CHOLERA:
3 to 5
MILLION
CASES REPORTED
EACH YEAR

Cholera is a contagious disease that kills hundreds of thousands of people each year throughout the world. Via a partnership with the WHO, Sanofi Pasteur is making the vaccine Shanchol™, produced by its Indian affiliate, Shantha, available to exposed populations.
Source WHO.

To learn more:
www.sanofi.com

Vaccination, a worldwide medical recommendation.

Towards a dengue vaccine

Sanofi Pasteur develops innovative solutions for people everywhere. We do this by responding to unmet needs, improving vaccine combinations and adapting our vaccines to different population profiles. The year 2012 was thus notable in particular for a decisive advance in the development of a vaccine to prevent dengue. This disease, often called dengue fever, is a major issue in public health. Sanofi Pasteur has had dengue in its sights since 1992. The development of a vaccine became a priority for the company in 2007, when a candidate vaccine was identified. In July 2012, the results of the first efficacy trial for the vaccine confirmed its excellent tolerance profile and its ability to protect against three of the four viruses circulating in Thailand, where the trial was performed. Today, large Phase III trials are underway in 10 Asian and Latin American countries.

Any information provided on cited products is in no way intended to encourage their use.

The 6-in-1 pediatric vaccine is the only liquid hexavalent ready-to-use vaccine available. It offers a clear advantage for simplifying childhood immunization schedules.

Innovating for the world's populations

Sanofi Pasteur's ability to innovate can be seen via the company's expertise in pediatric combination vaccines. These latter offer an advantage in comfort for babies and infants because they vaccinate against several diseases with a single injection. In 2012, the European Medicines Agency issued a favorable scientific opinion for Hexaxim®, Sanofi Pasteur's 6-in-1 pediatric vaccine, thus clearing the way for the vaccine's approval on international, non-European markets. Sanofi Pasteur has also developed an innovative diversification strategy for flu vaccines. In the United States, where universal vaccination is recommended, the company delivered 60 million doses of seasonal influenza vaccine in 2012.

To better respond to the specificities of different age groups, the vaccine was provided in two forms: an intradermal pediatric version (Fluzone® Intradermal) and a highly concentrated version (Fluzone® High Dose) to counter the effects of immunosenescence in elderly populations.

A responsible industrial investment

Sanofi Pasteur produces more than a billion vaccine doses yearly. To respond to ever-increasing demands, the company reinvests each year an important part of its revenue into production capabilities. Significant constraints are present in the production of vaccines: cycles are long and the deployment of a new production unit takes four to six years. Sanofi Pasteur is currently developing a vaccine against dengue, a disease for which there is no treatment currently available. As early as 2009, to ensure that the vaccine will be available to exposed populations, the company chose to invest €300 million in an industrial site close to Lyon, France, to assure its production. This choice represents the single largest investment ever made within the Sanofi Pasteur industrial network.

CONSUMER HEALTHCARE

RESPONDING TO THE EXPECTATIONS OF PEOPLE WHO ARE ACTIVE IN THEIR OWN HEALTH

Self-medication is growing in emerging and mature markets and allows Sanofi to communicate directly to its consumers.

Sanofi's Consumer Healthcare division is in direct contact with its consumers and listens to their needs: the general public. To win brand loyalty, our products must be pertinent to the needs and habits of local consumers. Today, throughout the world, the importance of self-medication in healthcare is growing consistently. In mature markets, difficulties in public healthcare funding are leading governments to make certain categories ineligible for reimbursement, with the hope of reducing healthcare budgets. In emerging markets where standards of living are increasing, a growing number of consumers are capable of spending more on their own health.

Number 3 worldwide*

Sanofi is the world's third-largest company in an over-the-counter (OTC) market evaluated at €95 billion and that is increasing by about 5% per year. This growth is to be found over three large distribution channels: pharmacies (highly present in Europe), "drugstores" (particularly developing in Germany and Asia) and mass retailers (dominating the North American and Mexican markets).

*Source 2012 Nicholas Hall.

In 2012, the Consumer Healthcare platform increased by 9.9%, with impetus coming in particular from double-digit growth for Maalox®, Essentiale®, Lactacyd®, Dorflex®, Enterogermina® and No-Spa®.

IN EUROPE, NEW MOMENTUM FOR MAALOX®

Maalox® is a flagship brand for the Group's OTC portfolio, particularly in Europe. On this hypercompetitive regional market, product innovation and advertising investments are essential in gaining and maintaining leadership. Thus, in 2012, the Consumer Healthcare platform launched Ipraalox®, a new product to treat gastroesophageal reflux, via a unique European advertising campaign and furthermore harmonized the packaging of the Maalox® range throughout Europe.

Any information provided on cited products is in no way intended to encourage their use.

5%
AVERAGE ANNUAL GROWTH* FOR THE SELF-MEDICATION MARKET

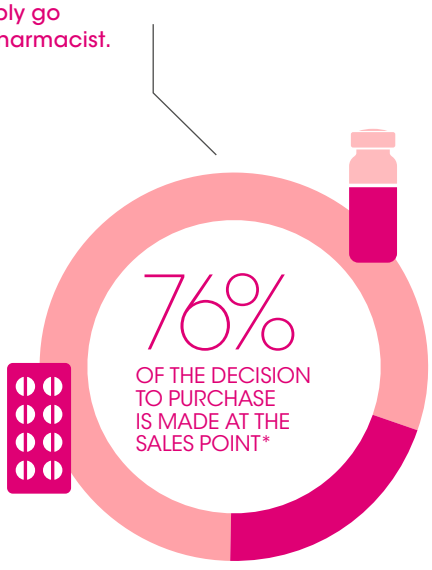
6
MAJOR MULTIREGIONAL BRANDS: MAALOX®, ALLEGRA®, NO-SPA®, ENTEROGERMINA®, ESSENTIALE® AND LACTACYD®

Sanofi continuously innovates to offer self-medication treatment options everywhere.

A CLOSER LOOK
THE PHARMACIST, A KEY PARTNER FOR SELF-MEDICATION

The pharmacist is a central figure in Sanofi's consumer healthcare activities. Indeed, in this segment, product communication reaches out, not only to healthcare professionals (physicians and pharmacists), but also to the general public directly by way of advertising campaigns. However, when consumers have questions they inevitably go to see the pharmacist.

In France, Sanofi Consumer Healthcare leads the sector with 17% market share. There, our pharmacy sales representatives go beyond simply presenting the product range to the pharmacists; they also train the staff on product specificities and offer merchandising counseling to valorize the brands in the Sanofi portfolio.



To learn more:
www.sanofi.com

*2012 Shopper Engagement Study (www.popai.com).

Our strategy for the launch of the allergy medication Allegra® was a success, first on the American OTC market, then on the Japanese market in November 2012. The antihistamine climbed to the number two position in the competitive American market.

Priority market segments and brands

The development of the Sanofi Consumer Healthcare platform is being focused on two priority market segments.
The OTC segment, in particular analgesics, treatments for digestive disorders, allergy medications and anti-cough medicines, is the main axis of activity. Adjacently, the vitamins and mineral supplements category and the feminine hygiene category are also targeted by the Consumer Healthcare platform. Across these different market classifications, the Group counts six major multiregional brands: Maalox®, Allegra®, No-Spa®, Enterogermina®, Essentiale® and Lactacyd®.
To develop this core portfolio, Sanofi is strengthening its strategy for innovation: new products currently account for 5% of sales, we hope to increase that to 15%. Also the Group is investing in regional, and possibly global, advertising campaigns. In 2012 for example, Maalox® benefited greatly from a European campaign largely focused on television advertisements.
New Maalox® flavors were launched as was a new version for people with frequent heartburn, and we furthermore increased the visibility of the product at sales points. These efforts paid off: Maalox® is now the third-largest brand in Europe with 12% share and 8% growth on a stable market.

Any information provided on cited products is in no way intended to encourage their use.

The Consumer Healthcare platform is also pursuing its growth via targeted acquisitions. Chattem, Sanofi's consumer healthcare division in the United States, acquired the rights for Rolaids® in early 2013. This OTC treatment for stomach symptoms and heartburn benefits from a history as a market leader in its category. It will soon benefit from an ambitious relaunch on the American market.

A portfolio of multiregional brands.

Simplifying packaging to improve performance

A project to harmonize and simplify packaging was launched in 2011 and continued through 2012. Orchestrated by Industrial Affairs and Global Operations, this worldwide effort is part of a larger plan to improve the competitiveness of Sanofi's production sites. The project will also strengthen the image of most of our consumer healthcare products and increase visibility for the Sanofi name. To accelerate the deployment of the project, a transversal packaging platform was created within Industrial Affairs. Its objectives are to create a catalog of standardized packaging, optimize investments and simplify the stock of machines at the production sites.

ANIMAL HEALTH

FROM TREATMENT TO PREVENTION, FROM ANIMAL HEALTH TO PUBLIC HEALTH

As a world leader in animal health, Merial is putting an ambitious strategy in place to rebalance its portfolio for pets and production animals, to conquer emerging markets and to accelerate innovation.

Animal health is a vital sector of the world's economy for several reasons. First, the field is on the front line of controlling epidemics and emerging animal diseases, and thus a key element of public health. In the battle to prevent and control animal-borne infectious diseases, having potentially significant social and economic impacts, Merial is a recognized partner for governments throughout the world as well as for international organizations.

Second, animal health plays a leading role in the major issue of food security. Indeed this latter is crucial to assuring access to nutrition of sufficient quality and quantity for a growing worldwide population and responding to the ever increasing demand for trustworthy animal proteins (meats, milk, eggs).

Third, improving the performance of animals and maintaining their health are important economic issues, as animal farming contributes to the health of countries and the vitality of their internal and external commerce.

Finally, the role of animals in human society is becoming increasingly important; relationship with pets creates social links and thus contributes to the well-being of owners.

LONGRANGE™: INNOVATION FOR ANIMAL BREEDERS

In 2012, Merial brought a product that makes a difference to the American market. Longrange™ protects cattle from parasites for more than 100 days with a single injection, compared to three or four days with conventional treatments. This innovative antiparasitic is based on Teraphase™ technology developed by Merial's R&D teams. The active ingredient of Longrange™, eprinomectin, peaks initially at the moment of injection, then again approximately 70 days later, thus insuring parasite control throughout the grazing season.

DOG VOLGA,
FRANCE

€17 BILLION:
VALUE OF THE WORLD ANIMAL HEALTH MARKET
Source Vetnosis.

59%
OF THE WORLD ANIMAL HEALTH MARKET CONCERNS PRODUCTION ANIMALS
Source Vetnosis.

Merial continuously invests in production and innovation to protect and treat animals, and in turn provides responses to the evolving needs of their owners.

+14%,
GROWTH IN SALES FOR MERIAL IN EMERGING MARKETS IN 2012

To learn more:
www.merial.com

Taking on new challenges

Merial became the animal health division of Sanofi in 2011 and now benefits from synergies within the Group for R&D, industrial, pharmaceutical and vaccine activities on an international level and particularly, in emerging markets.
The company is now perfectly placed to take on new challenges in animal health. For production animals, Merial's ambition is to develop products and technologies that will help animal breeders optimize the management of their activities and thus contribute to the viability and security of worldwide food production.
For pets, needs are evolving: they are living longer and thus more frequently affected by age-related diseases (arthritis, diabetes, cancer, etc.). Also, certain pet pathologies (skin related, dental, etc.) have no current available treatment.
Since joining the Group, Merial has focused on rebalancing its portfolio between production animals and pets. Its ambition is also driven by its strong capacities and constant investments in innovation: with 50 products currently under development, Merial benefits from a solid R&D portfolio.

Advancing in 2012

Good progress was made in 2012. Merial made several significant acquisitions to become a major actor in the production animal segment. In April, the company purchased Newport Laboratories leader in autogenous vaccines, thus strengthening its presence on the swine market.
The Group's acquisition of Genfar brought with it a portfolio of animal health products and a presence in Latin America. Finally the acquisition of the animal health division of Dosch Pharmaceutical Pvt Ltd* at the end of 2012 opened doors on the Indian market.

Any information provided on cited products is in no way intended to encourage their use.

In 2012, Merial launched Longrange™, an antiparasitic that protects cattle for more than 100 days with only one injection instead of three.

Merial's performance in emerging markets accelerated in 2012, with sales growing by 14%. In the very competitive mature markets, Frontline®, Merial's flagship product, maintained its position as world leader with sales reaching $1 billion. Also, the year was notable for new products on both mature and emerging markets, with extensions to the Frontline® range and the launch of a new antiparasitic, Longrange™, in the United States, and the launch of new vaccines on the American, Latin American and Asian markets. Indeed, innovation remains central to the development of the division, with 25 new products coming to market between 2013 and 2017, particularly in the pets segment.

*The agreement is awaiting regulatory approval and should be finalized in the first half of 2013.

In Lyon, veterinary vaccines for the whole world

Merial's largest veterinary vaccines production site—and largest biologicals production site—is located in Saint-Priest close to the city of Lyon, in France. There, many of the Group's flagship brands are produced, such as Circovac® (for PCV2 infection in piglets), Vaxxitek® (for bursal disease and Marek's disease in chickens), Rabisin® (for rabies in dogs, cats, horses, sheep, cattle and ferrets), Eurican® (for canine distemper) or Avinew® (for Newcastle disease in chickens). Every year, approximately 25 billion vaccine doses are produced at the site, largely for export. It will play a major role in tomorrow's growth.

GENZYME

RARE DISEASES AND MULTIPLE SCLEROSIS

Genzyme is one of Sanofi's most promising platforms and a source of hope for patients with rare or debilitating diseases. Genzyme brings to Sanofi its excellent comprehension of patients' needs and its expertise in R&D.

Rare diseases

Of the 7,000 rare diseases currently identified, only 400 benefit from the availability of a treatment. The unmet medical needs in these serious and debilitating diseases, often of genetic origin, create an immense opportunity to innovate for the considerable number of patients worldwide who are waiting for therapeutic solutions. For more than 30 years, Genzyme has been bringing innovation to the development and the deployment of novel therapies, particularly for lysosomal diseases, that is, a group of metabolic disorders due to enzyme deficiencies. Today, thanks to Genzyme's research efforts and successes, patients benefit from treatments or enzyme replacement therapies for Gaucher's disease, Pompe disease, mucopolysaccharidosis type I, and Fabry disease.

NEW HOPE FOR PATIENTS WITH MULTIPLE SCLEROSIS

Slowing the progress of the disease and its potentially debilitating consequences are among the main goals of multiple sclerosis therapy. In two Phase III trials, Aubagio® (teriflunomide) 14 mg demonstrated its ability to significantly slow the progression of the disease. The ease of use of this unprecedented once-daily oral formulation makes it an appreciable alternative for patients constrained to frequent injections.

Multiple Sclerosis

The number of people with multiple sclerosis throughout the world is estimated at more than 2 million. It is the second most frequent debilitating neurological disorder in young adults after accidents. The disease is characterized by the frequently unpredictable accumulation and evolution of neurological handicaps. Although there is currently no cure for multiple sclerosis, there are treatments that modify the evolution of the disease, reducing the frequency of flare-ups, or in some cases slowing the progress of physical handicaps.

Any information provided on cited products is in no way intended to encourage their use.

APPROXIMATELY
7,000
IDENTIFIED RARE DISEASES,
OF WHICH 80% ARE GENETIC

FROM
25 to 30
MILLION PEOPLE WITH RARE
DISEASES IN THE UNITED STATES AND
CLOSE TO 30 MILLION IN EUROPE

Via Genzyme, Sanofi is intensifying its efforts in rare diseases through an original approach combining innovation and proximity with patients.

A CLOSER LOOK
CONTINUOUS INNOVATION

Thanks to Genzyme's substantial efforts in R&D, several innovations are currently on their way to the market. Kynamro™ (mipomersen sodium) injection, indicated in the treatment of homozygous familial hypercholesterolemia*, received marketing approval by the American FDA in January 2013. This disorder affects approximately one person in a million. People with the disorder often have heart attacks and die frequently before the age of 30. In January 2013, the FDA accepted to review the filing for Lemtrada™ (alemtuzumab) in relapsing multiple sclerosis. Finally, Genzyme is developing eliglustat tartrate in an oral capsule formulation, to bring a practical therapeutic solution to patients with type 1 Gaucher disease and enlarge the therapeutic armamentarium available to patients and physicians. Two Phase III studies for eliglustat tartrate, ENGAGE and ENCORE, have provided positive new data for the molecule. Both studies attained their respective main evaluation criterions and together form the foundation for the submissions to be sent to health authorities.

*A rare genetic disorder that causes extremely high cholesterol levels and permanent cardiovascular risks.

Research efforts in multiple sclerosis are targeted on developing safe and efficacious treatments that are accessible for all patients. With its team of highly experienced specialists in multiple sclerosis, Genzyme is committed to being a trusted and long-term partner for the patient community. For more than ten years, Genzyme and Sanofi have been working to develop responses to unmet needs. Integrated within Genzyme, our programs specific to multiple sclerosis include Aubagio® (teriflunomide), a once-daily oral treatment approved in 2012 in the United States and Australia, and Lemtrada™ (alemtuzumab). Both of these treatments are currently being evaluated by health authorities around the world.

A successful integration

When Genzyme joined the Group in April 2011, it became Sanofi's worldwide excellence hub for rare diseases and centered multiple sclerosis activities within its list of therapeutic fields. Genzyme's approach is notable for not only its innovative capacity but also its determination to improve the quality of life of patients. In 2012 the "New Genzyme" confirmed the success of its integration in the Sanofi Group with sales growth of 16.9%. Sales for Fabrazyme® (agalsidase beta), a treatment for Fabry disease, nearly doubled thanks in particular to the increased production capacities at the new Genzyme plant in Framingham (United States), which received regulatory approval in January 2012. Sales for Myozyme® and Lumizyme® (alglucosidase alfa), indicated in Pompe disease, progressed 11.4%.

To learn more:
www.genzyme.com

Any information provided on cited products is in no way intended to encourage their use.

Framingham Site, United States.

In its very competitive market, Cerezyme® (imiglucerase for injection) a treatment for type 1 Gaucher disease, maintained its position and provided sales growth of 6%. Also in 2012, Aubagio®, a once-daily oral treatment indicated for relapsing forms of multiple sclerosis was launched in the United States in October following the FDA's approval of the drug a month earlier. As of January 2013, more than 80% of American specialists in multiple sclerosis had prescribed the treatment.

Guaranteeing the long-term availability of products

In 2012, Sanofi dedicated more than a quarter of its industrial investments, close to €250 million, to getting Genzyme's industrial network back on its feet. These major investments allowed the Group to attain its main objective: reconstruct a supplying capacity in line with the strong demand for Genzyme products. The sites in Framingham, Massachusetts (United States), and in Waterford, Ireland, had a key role to play in this goal. This year will also be notable for significant progress at the network level to ensure the future availability of products and strengthen production infrastructures.

INNOVATIVE PRODUCTS

BRINGING INNOVATIONS WITH HIGH MEDICAL VALUE TO PATIENTS

The metamorphosis of R&D at Sanofi is underway. Refocused on strategic priorities and high medical value projects, R&D delivered remarkable innovations in 2012-2013 and launched a dynamic for durable success.

Since 2010, the Group has been deeply transforming its R&D to re-center its development on a perspective of sustainable growth. With both its portfolio and its priorities newly aligned with Sanofi's major growth platforms, R&D has undergone a rapid metamorphosis. The traditionally cloistered world of pharmaceutical R&D has given way to a new, open and networked approach at Sanofi, based around 4 large innovation centers or "regional hubs":

North America (comprising in particular the Boston region), Germany, France and Pacific Asia. Within these hubs, Sanofi's teams are brought together to strengthen contacts, not only internally among company teams, but also externally with institutions, laboratories, patient associations, hospitals and universities. This opening toward the healthcare "ecosystem" is indeed essential as it places the patient at the heart of the researcher's thoughts and actions. Sanofi R&D is thus entering a new era, that of translational medicine.

A rich development pipeline

Several of the Group's major strategic platforms advanced in 2012. In cardiovascular disease, the PCSK9 antibody (alirocumab) developed with Regeneron, entered into Phase III trials. In diabetes, Sanofi's range of therapeutic solutions grew with Phase III testing for both Lyxumia® (lixisenatide) and the company's new insulin glargine formulation. In oncology, Zaltrap® (aflibercept) was launched in the United States and will soon be launched in Europe where it was approved by the EMA for resistant metastatic colorectal cancer in early 2013.

OPEN INNOVATION

Today, Sanofi encourages open and interactive innovation, notably via partnerships. Thus in 2012, Sanofi joined with two venture capital firms to launch a biotech start-up, Warp Drive Bio. The start-up will employ a genomic signature technology to identify natural-origin medicinal candidates hidden within microorganisms.

Any information provided on cited products is in no way intended to encourage their use.

18
POTENTIAL
LAUNCHES BETWEEN
2012 AND 2015

9
REGULATORY
APPROVALS

6
NEW SUBMISSIONS
FOR MEDICINES AND
VACCINES IN 2012*
*See details page 54.

To respond to the expectations of patients and the challenges of healthcare today, Sanofi R&D has reorganized and made major progress thanks to a new approach to open innovation.

A CLOSER LOOK
A NEW APPROACH TO R&D

Translational medicine has become the guiding scientific principle of R&D within the Group. Through genomics and other new and powerful processes, researchers will gain upstream knowledge on the mechanisms of human disease. This new approach increases the probability of success in later, more onerous stages of research.

Phase II results have been published for our JAK2 inhibitor in myelofibrosis and further Phase II results are expected in 2013. Phase II results are also expected in 2013 for otamixaban in certain acute coronary syndromes. In rare diseases, the Genzyme teams have been successfully integrated into the Sanofi R&D Boston hub and put in charge of multiple sclerosis research. In 2013, the "New Genzyme" obtained approval from the FDA for Kynamro™ (mipomersen sodium) in the treatment of homozygous familial hypercholesterolemia. The FDA also accepted to review our supplemental biologics license application for Lemtrada™ (alemtuzumab) in the treatment of relapsing multiple sclerosis. Also, positive results were obtained in two Phase III studies on eliglustat, a novel oral therapy being developed for the treatment of Gaucher's disease.

Finally, two vaccines are currently well advanced in their development cycle: Sanofi Pasteur's dengue vaccine has entered into Phase III trials with a large-scale study underway in Asia and Latin America, and the *Clostridium difficile* vaccine for the primary prevention of this nosocomial disease should enter into Phase III testing in the third quarter of 2013.

Today, Sanofi R&D is preparing for the future with a pipeline of therapeutic candidates offering true medical value. Part of this process is creating a better foothold in "upstream" research by maximizing internal assets (particularly the synergy between the Vaccines and Animal Health platforms) and engaging in multiple targeted partnerships to maintain a high level of expertise and creativity.

SANOFI - INSTITUT PASTEUR 2012 AWARDS FOR BIOMEDICAL RESEARCH

Sanofi and the Institut Pasteur have created the Sanofi-Institut Pasteur awards to promote scientific excellence for the advancement of healthcare.
In 2012, four international researchers were recognized for their research efforts that brought real progress to the life sciences fields of:
- drug resistance (Professor James J. Collins)
- neglected tropical diseases (Professor John Mekalanos)
- vaccine innovation (Professors Peter Palese, Jeffrey V. Ravetch).

Sanofi and the Institut Pasteur also decided to honor two young researchers for their outstanding efforts in biomedical research that shed light on:
- how mosquitos resist malaria (Dr. Stéphanie Blandin)
- the dynamics of immune responses (Dr. Philippe Bousso).

To learn more:
www.sanofi-institutpasteur-awards.com

Any information provided on cited products is in no way intended to encourage their use.

PERFORMANCE

SANOFI, MEANINGFUL GROWTH

Global companies, with solid foundations and sufficient resources to invest, innovate and commit are needed to tackle the many healthcare challenges. At Sanofi, we wish to improve access to healthcare for all in a sustainable fashion and respond to the potential needs and hopes of the earth's 7 billion people. This is what we do when we implement disease prevention and diagnosis, when we make well-adapted treatments available to all, when we fight against counterfeiting medicines to ensure the safety of patients and when we improve their quality of life. This is what drives our daily work, and every employee at Sanofi has a role to play.

BELA,
CHAD,
sleeping sickness
patient

PATIENTS AT THE VERY HEART OF OUR MISSION

We want to make life possible and comfortable for all patients, whatever their disease, whatever their means, wherever they may be and with the support of their loved-ones. We want to prevent diseases in humans and animals; we want to protect life.

PERFORMANCE
COMMITMENTS AND CSR

As a world leader in healthcare, Sanofi must be exemplary in corporate social responsibility (CSR). The Group's approach puts the patient at the heart of its activities. As a form innovation and a source of pride for its employees, this is also a mark of sustainable performance.

Social responsibility is an integral part of the Group's DNA. Our approach to CSR comprises four core elements: the Patient, Ethics, People and the Planet. In 2012, the Group continued its actions on each of these axes with the goal of continuously improving the integration of our social responsibilities in our strategy and making real our CSR vocation: acting ethically and responsibly every day to favor social and economic development while respecting the environment.

Patient

Healthcare is the main sphere in which we can act. We have the knowledge and resources necessary to leave a lasting impression.

Proposing solutions that permit access to healthcare for all, in particular those who are the most disadvantaged, is at the heart of Sanofi's engagement. The Group thus targets its resources and expertise to improving healthcare infrastructures, deploying differential pricing policies and contributing to the development of local economies. Sanofi also endeavors to guarantee patient safety and continuously innovate in our offer of products and therapeutic solutions.

FIGHTING COUNTERFEITING TO PROTECT THE SAFETY OF PATIENTS

One of Sanofi's primary concerns is to ensure that medicines and health products are safe for patients. The group opened its central anti-counterfeiting laboratory in Tours (France) in 2008. There, an expert team uses cutting-edge technology to examine in-depth suspicious products sent by Group affiliates, customs services, the police or legal authorities. Since its creation, the laboratory has analyzed more than 20,000 products.

OUTSTANDING EVENTS IN 2012

SANOFI BECOMES THE THIRD HIGHEST RANKED COMPANY ON THE ACCESS TO MEDICINE FOUNDATION'S 2012 ATM INDEX

The Access to Medicine Foundation collects and diffuses reliable data on the efforts of pharmaceutical companies to improve access to medicines throughout the world. By placing Sanofi third on its 2012 ATM index, the Foundation recognized the Group's initiatives in multi-resistant bacterial infections, malaria, tuberculosis and neglected tropical diseases, as well as the extension of its partnership with WHO to combat Buruli ulcer, sleeping sickness, Chagas disease and leishmaniasis among others.

PROGRAM FOCUSING ON "GIVING LIFE A CHANCE" FOR BREAST CANCER PATIENTS IN RUSSIA

Breast cancer has the highest mortality rate for cancers in Russia, where access to well-targeted treatments is very restricted due to a lack of funding. Sanofi's Russian affiliate has joined forces with the country's main cancer institutes and health establishments to bring awareness campaigns and support programs to patients under the banner "Giving life a chance." The program uses not only traditional media but also social networks to diffuse hard-hitting messages, for example, "Every day in Russia, breast cancer leaves 47 children motherless." In December 2012, "Giving life a chance" was recognized as the best social project in Russia.

CSR AWARDS GIVE IMPETUS TO A NEW DYNAMIC

Sanofi's World CSR Awards were launched in 2012. The objective of the CSR Awards is to recognize the best initiatives deployed by our staff members locally, regionally and globally according to the four CSR pillars. The jury chose nine winning projects based on their degree of innovation, economic logic, advantages for the Group and beyond, and the ability of the project to be geared for further use. The Grand Prix was awarded to the Greek affiliate (Athens) for its national project to collect and destroy unused medications.

ELIMINATING SLEEPING SICKNESS BY 2020

In early 2012, Sanofi renewed its commitment with WHO and the Bill & Melinda Gates Foundation to combat neglected tropical diseases. For the occasion, the Group set an ambitious objective: the eradication of sleeping sickness by 2020. Since it began in 2001, the partnership has been providing screening for more than 2 million people yearly and has saved 170,000 lives. The 2012 visit of CEO Christopher A. Viehbacher to a Chadian clinic specialized in treating sleeping sickness was a strong sign of Sanofi's commitment to fight this disease with the World Health Organization.

A CLOSER LOOK
THE SANOFI ESPOIR FOUNDATION: REDUCING INEQUALITIES IN HEALTH FOR THOSE MOST VULNERABLE

Since 2010, the Sanofi Espoir Foundation has been improving access to healthcare for poor populations via three priority fields of action:

- battling childhood cancers in developing countries,
- reducing maternal and neonatal mortality,
- improving access to healthcare for people in precarious situations.

These commitments fall within the United Nations' Millennium Development Goals.

The Foundation's actions on the ground

The Foundation's actions fall within a logic of multi-year engagements, as participative as possible, carried out in partnerships with NGOs, communities and health authorities. A program is considered a success when it genuinely improves access to health for the most impoverished populations, strengthens all levels of the care system, and, in the long-term, positively influences health policy.

The Foundation in numbers

In 2012 the Foundation provided support to 60 programs in 40 countries and coordinated emergency humanitarian responses in eight countries. It also distributed 212,000 boxes of medications and 645,000 vaccine doses, representing a value of €12 million. As an example of its accomplishments, the Sanofi Espoir program for childhood cancers in low-income countries, My Child Matters, raised the two-year survival rate for leukemia from 16% to 68% in the Philippines.

60
PROGRAMS
IN 40 COUNTRIES

Ethics

Our conduct must be irreproachable and coherent with what we do: creating innovative medicines.

Respecting ethical rules is an essential pillar of Sanofi's CSR approach. Across all aspects of its activities, from research and clinical trials to stakeholder relations, Sanofi does all that is necessary to act with integrity and transparency and to respect the security and rights of patients. Sanofi guides its collaborators in their aid activities, particularly through its Ethics Code, which brings together the Group's fundamental ethical principles.

People

Today, women represent 39% of our managerial staff and 20% of our Board of Directors.

Sanofi implements a responsible human resources policy in an environment of structuring commitments to preserve the health of staff members, heighten their awareness of risks related to their activities and develop their competencies. We are also convinced that diversity is a source of innovation, performance and competitiveness. The Group is thus strongly committed to acting in favor of diversity, be it for gender balance, cultural diversity, maintaining employment for handicapped persons (in France, for the third time, the Group signed an agreement with the government for the stable employment of people with handicaps) or avoiding age discrimination.

The bioproduction of Genzyme, Lyon (France).

Planet

Having attained our goal of reducing CO_2 emissions by 15% two years faster than expected, we are now stepping up to our objective of a 20% reduction by 2020.

To protect the health of people everywhere, Sanofi is developing an ambitious policy to limit the environmental impact of its activities. The Group's priority is to reduce its energy consumption at all the production and distribution steps for its medicines. Other goals include limiting the impact of our pharmaceutical products on the environment and reducing our use of water, a vital resource for the production of medicines and vaccines.

Combating maternal and infant mortality. Stand up for African Mothers.

SANOFI, A WORLDWIDE PRESENCE IN 100 COUNTRIES

● PRESENCE OF SANOFI

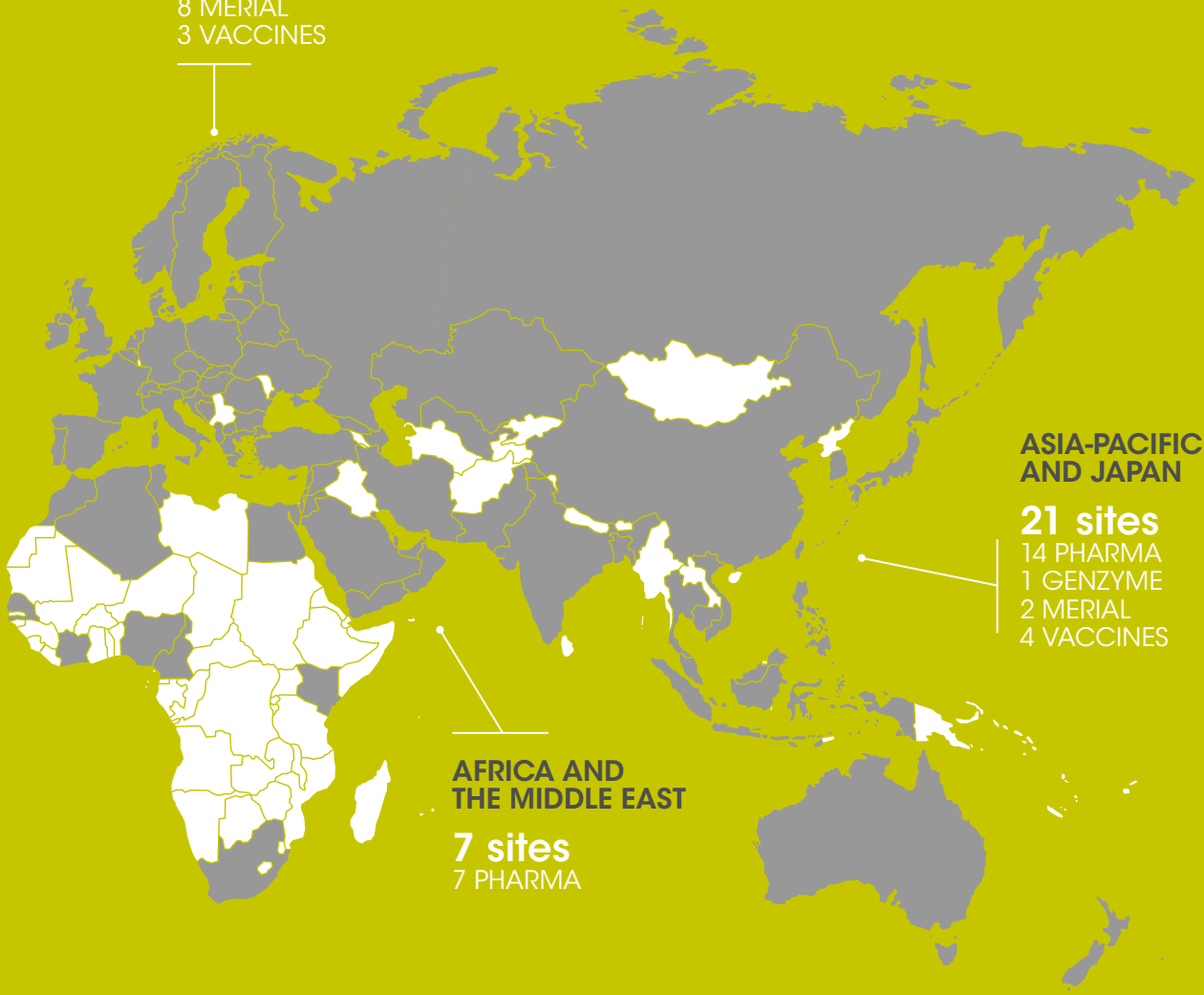
STRONG INDUSTRIAL MOMENTUM

Industrial Affairs is a pillar of the Group's transformation and an integral part of its strategy for global growth.
Sanofi's strong industrial capacity is a key element of the company's success. Its strenght stems from a network of industrial sites whose activities are aligned with the growth platforms, local production close to the patient and structured on the same basis. In 2012, Sanofi further strengthened the efficiency of its industrial means by reinforcing production capacities, moving forward on inter-site collaborations and increasing its presence in emerging markets. Another notable event for the year was the deployment of the "Sanofi manufacturing system", a global progress tool integrating shared industrial policies and rules.

(1) United States, Canada.
(2) Western Europe (including France), Eastern Europe and Turkey.

EUROPE(2)

54 sites
41 PHARMA
2 GENZYME
8 MERIAL
3 VACCINES



ASIA-PACIFIC AND JAPAN

21 sites
14 PHARMA
1 GENZYME
2 MERIAL
4 VACCINES

AFRICA AND THE MIDDLE EAST

7 sites
7 PHARMA

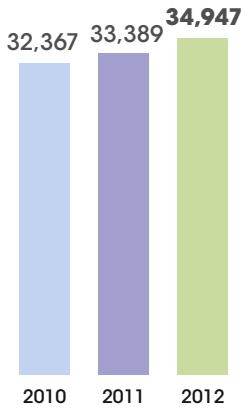
112 INDUSTRIAL SITES
IN 40 COUNTRIES

82 FOR PHARMACEUTICAL ACTIVITIES (INCLUDING GENZYME)
13 FOR VACCINES
17 FOR ANIMAL HEALTH

To learn more:
www.sanofi.com

2012, DURABLE FINANCIAL PERFORMANCE

SANOFI TOTAL SALES
(€ MILLION)

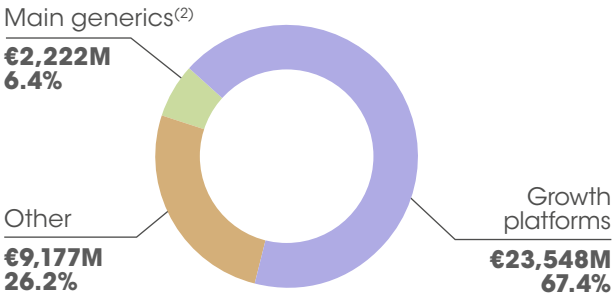


+4.7%
published data

Change (*vs.* 2011)

+0.5%
at constant exchange rates(1)

TOTAL SALES BY SECTOR OF ACTIVITY
(€ MILLION AND %)

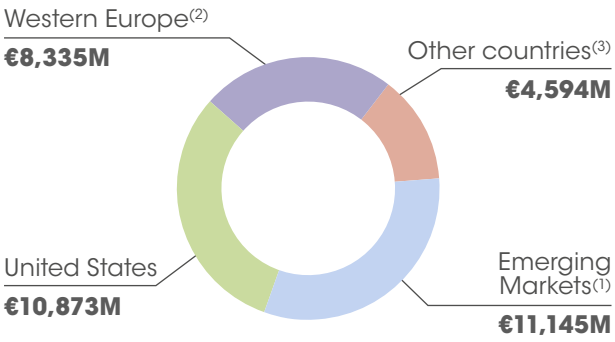


Growth platforms: details
(GROWTH AT CONSTANT EXCHANGE RATES)

Emerging Markets(3)	€11,145M	+8.3%
Diabetes	€5,782M	+16.7%
Vaccines	€3,897M	+5.7%
Consumer Healthcare	€3,008M	+9.9%
Animal Health	€2,179M	+3.1%
New Genzyme(4)	€1,785M	+16.9%
Other Innovative Products(5)	€611M	+10.5%

(1) Sales results are expressed in "constant" exchange rates to exclude the effect of variations in exchange rates. (2) Key genericized products include Lovenox® U.S., Plavix® Western EU, Taxotere® Western EU & U.S., Eloxatin® U.S., Ambien® family U.S., Allegra® U.S., Aprovel® Western EU, Xyzal® U.S., Xatral® U.S., Nasacort® U.S. and BMS Alliance (active ingredients of Plavix® and Avapro® sold to BMS). (3) Emerging Markets including Diabetes, Vaccines, Consumer Healthcare, Animal Health, Other Innovative Products and New Genzyme. Sales in emerging markets were €6,286 million when these activities are excluded. (4) "New Genzyme" consists of rare diseases and products for multiple sclerosis. (5) Recent product launches not falling within the other growth platforms: Multaq®, Jevtana®, Mozobil® pro forma and Zaltrap®.

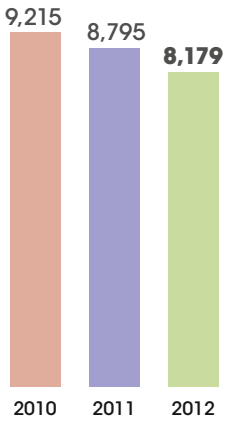
SALES BY GEOGRAPHICAL ZONE
(€ MILLION)



Details for Emerging Markets(1)
(GROWTH AT CONSTANT EXCHANGE RATES)

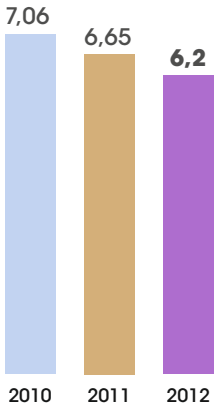
Latin America	€3,435M	+11.3%
Asia (excluding Pacific region)	€2,841M	+10.1%
Eastern Europe, Russia and Turkey	€2,721M	+2.1%
Africa and the Middle East	€2,019M	+10.2%

BUSINESS NET INCOME(4)
(€ MILLION)



Change (*vs.* 2011): -7.0%
(-12.9% at constant exchange rates)

EARNINGS PER SHARE(4)
(IN EUROS)



Change (*vs.* 2011): -6.8%
(-12.8% at constant exchange rates)

(1) World excluding the United States, Canada, Western Europe, Japan, Australia and New Zealand.
(2) France, Germany, United Kingdom, Italy, Spain, Greece, Cyprus, Malta, Belgium, Luxembourg, Portugal, Netherlands, Austria, Switzerland, Sweden, Ireland, Finland, Norway, Iceland, Denmark.
(3) Japan, Canada, Australia and New Zealand.
(4) See definitions, page 57.

2012, A YEAR RICH IN APPROVALS

R&D PORTFOLIO

As of February 2013, the R&D portfolio comprises 64 projects for new molecules or candidate vaccines under clinical development, 17 of which are in Phase III or submitted to regulatory authorities for market authorization.

18

POTENTIAL LAUNCHES BETWEEN 2012 AND 2015

2012, A YEAR RICH IN NEW PRODUCT APPROVALS AND DOSSIER SUBMISSIONS

Product name	Pathology	Approved	Submitted
Zaltrap® (aflibercept)	Colorectal cancer	● ● (1)	—
Aubagio® (teriflunomide)	Multiple Sclerosis	●	●
Lyxumia® (lixisenatide)	Type 2 diabetes	● (2)	● (2)
AUVI-Q™ (epinephrin)	Allergy	●	—
Kynamro™ (mipomersen sodium)	Homozygous familial hypercholesterolemia	● (3)	—
Imovax® Polio	Vaccines	●	—
Lantus® for pediatrics (insulin glargine)	Diabetes	●	—
Plavix® for PAD & STEMI	Atherothrombosis	●	—
Lemtrada™ (alemtuzumab)	Multiple Sclerosis	—	● ●
Fluzone® Quadrivalent IM	Vaccines	—	●
Hexavalent pediatric vaccine	Vaccines	—	●

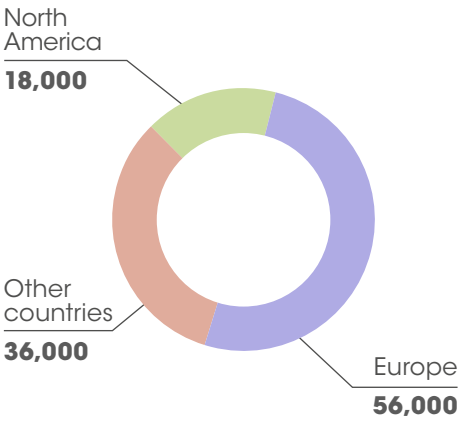
● United States ● Europe ● Japan

(1) Zaltrap® was approved in Europe on February 1st, 2013.
(2) Lyxumia® was approved in Europe on February 1st, 2013 and is expected to be approved by the FDA in Q1 2013.
(3) Kynamro™ was approved in the United States on January 29, 2013.

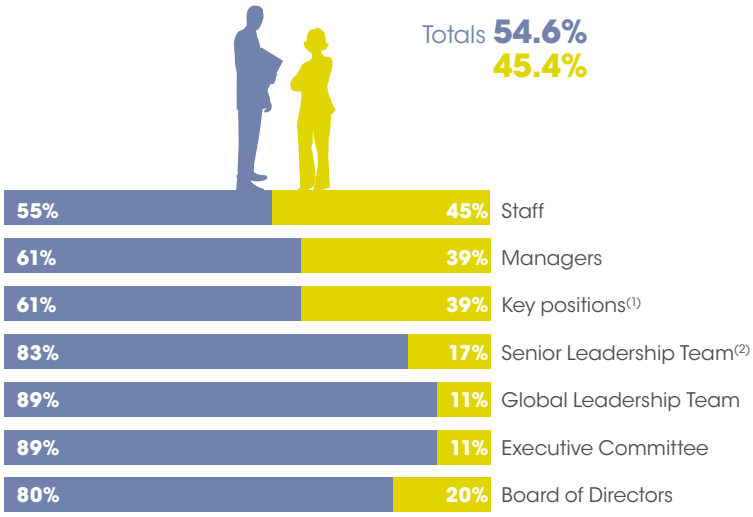
2012, SOCIAL AND ENVIRONMENTAL INDICATORS

SOCIAL INDICATORS

NUMBER OF EMPLOYEES WORLDWIDE: MORE THAN 110,000



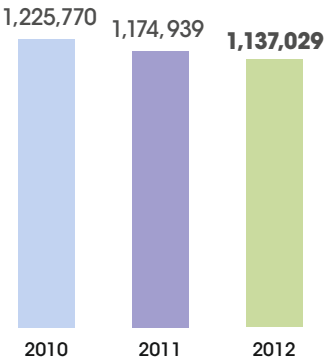
GENDER DISTRIBUTION
AT VARIOUS LEVELS WITHIN THE ORGANIZATION



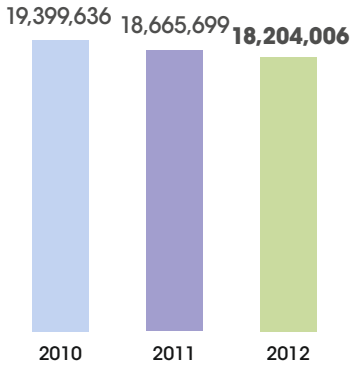
(1) Positions considered indispensible for the strategic objectives of the company.
(2) Comprises 272 senior managers.

ENVIRONMENTAL INDICATORS

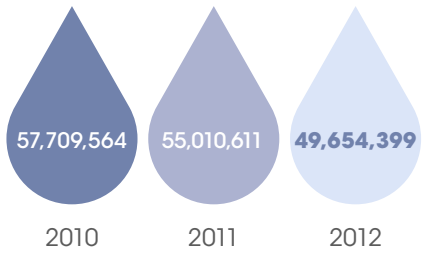
CO_2 EMISSIONS
(IN TONS)



ENERGY CONSUMPTION
(IN GIGAJOULES)



WATER CONSUMPTION
(IN M^3)



TO LEARN MORE

The 2012 Annual Review is available online at www.sanofi.com

To prolong the experience, discover the digital version: http://annualreview2012.sanofi.com/

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DEFINITIONS

Emerging Markets: The world excluding the United States, Canada, Western Europe (France, Germany, United Kingdom, Italy, Spain, Greece, Cyprus, Malta, Belgium, Luxembourg, Sweden, Portugal, the Netherlands, Austria, Switzerland, Ireland, Finland, Norway, Island, Denmark), Japan, Australia and New Zealand.

"New Genzyme": Activity centered on products for the treatment of rare diseases and multiple sclerosis.

Other Innovative Products: Launches of new products not falling within the other growth platforms, Multaq®, Jevtana®, Mozobil® and Zaltrap®.

Zaltrap® (aflibercept): Collaboration agreement with Regeneron

Auvi-Q™ (epinephrin): Sanofi US licensed the North American commercialization rights to Auvi-Q™ from Intellijet, Inc.

Lemtrada™ (alemtuzumab): The brand name submitted to regulatory authorities for alemtuzumab. Developed in collaboration with Bayer HealthCare.

Kynamro™ (mipomersen sodium): Development partnership with Isis Pharmaceuticals.

Lyxumia® (lixisenatide): Projected brand name for lixisenatide. Lixisenatide has not yet been authorized or approved in all world markets.

Business EPS: Business earnings per share is a specific financial indicator that we define as business net income divided by the weighted average number of shares outstanding.

Business net income is defined as net income attributable to equity holders of Sanofi excluding (i) amortization of intangible assets, (ii) impairment of intangible assets, (iii) fair value remeasurement of contingent consideration liabilities related to business combinations, (iv) other impacts associated with acquisitions (including impacts of acquisitions on associates), (v) restructuring costs, (vi) other gains and losses (including gains and losses on disposals of non-current assets), (vii) costs or provisions associated with litigation, (viii) tax effects related to the items listed above as well as effects of major tax disputes. The items (v), (vi) and (vii) correspond to those reported in the income statement line Restructuring costs and Gains and losses on disposals, and litigation.

Sources : unless stated otherwise, data presented herein are based on Sanofi's annual report on Form 20-F. The data relating to market shares and ranking information for pharmaceutical products are based on sales data from IMS Health MIDAS (IMS), retail and hospital, for calendar year 2012, in constant euros (unless otherwise indicated). While we believe that the IMS sales data we present below are generally useful comparative indicators for our industry, they may not precisely match the sales figures published by the companies that sell the products (including our company and other pharmaceutical companies). In particular, the rules used by IMS to attribute the sales of a product covered by an alliance or license agreement do not always exactly match the rules of the agreement. In order to allow a reconciliation with our basis of consolidation (refer to our annual report on Form 20-F for further information on adjustment methods). Data relative to market shares and ranking information presented herein for our vaccines business are based on internal estimates unless stated otherwise.

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